

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 AGR-20 CG-00 DODE-00 PA-03

USIA-15 PRS-01 RSR-01 /134 W
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R 131700Z AUG 73

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 4467

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

C O N F I D E N T I A L SAO PAULO 1783

DEPT PASS TO DEPT OF LABOR

E.O. 11652: GDS

TAGS: ELAB, ETRN, BR

SUBJECT: LONGSHORE SITUATION IN SANTOS

REF SAO PAULO 1617, RIO DE JANEIRO 2596

BEGIN LIMITED OFFICIAL USE SUMMARY: CARGO MOVEMENT IN AND OUT OF THE PORT OF SANTOS CONTINUES SLOW. ESTIMATES VARY OF SHIPS DOCKED OR AT ANCHORAGE IN THE PORT. UNION SOURCES ADMIT THAT A SLOW DOWN IS STILL IN PROGRESS. THE LONGSHOREMEN HAVE FILED A SUIT AGAINST THE NEW LASH SERVICE AND INJUNCTIONS AGAINST NEW PAY REGUALTIONS. POSSIBLE RIVALRY BETWEEN TWO GOVERNMENT MINIS-TRIES IS COMPLICATING THE OVERALL SITUATION. END SUMMARY.

1. TOP LEADERSHIP OF THE SANTOS STEVEDORE UNION AND A WELL INFORMED LOCAL POLITICAL LEADER REVEALED WEDNESDAY, 8 AUGUST THAT UNREST ON THE WATERFRONT MAY INTENSIFY. THE POLITICIAN STATED THAT THE ENTIRE ECONOMY OF SANTOS WAS SUFFERING FROM EFFECTS OF THE DOCK SLOW-DOWN. HE POINTED OUT HIS WINDOW AT THE BEAUTIFUL WEATHER WHICH HE STATED HAD EXISTED FOR MORE THAN TEN
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DAYS, WHICH HE FELT UNDERMINED ONE OF THE GOVERNMENT'S

"OFFICIAL" EXPLANATIONS FOR THE SHIPPING TIE UP. HE SAID MORE THAN FIFTY VESSELS WERE AT ANCHORAGE AWAITING LOADING OR DISCHARGE OF CARGO. THE REPORTING OFFICER VERIFIED BY PERSONAL OBSERVATION OVER TWENTY VESSELS AT ANCHOR IN SANTOS BAY. THE FIFTY-VESSEL ESTIMATE WAS REPEATED LATER BY UNION SOURCES, ALTHOUGH THIS TOTAL MAY INCLUDE VESSELS DOCKED BUT NOT YET WORKING CARGO. AN ACCOUNT IN ESTADO DE SAO PAULO OF AUGUST 11 ADMITS TO ONLY THIRTEEN VESSELS AT ANCHOR, AND AS OF AUGUST 4, WHEN THE CONGEN ATTENDED THE CEREMONIES IN SANTOS MARKING THE ARRIVAL OF THE NEW DELTA LASH VESSEL DELTAMAR, THE POST AUTHORITIES REPORTED TO HIGHER GOVERNMENT OFFICIALS IN THE CONGEN'S PRESENCE THAT THERE WERE ONLY A FEW SHIPS ON STREAM AWAITING SUGAR AND SOYBEANS. THIS WAS VERIFIED AT THE TIME BY OCULAR OBSERVATION.

2. THE FLOW OF CARGO ACROSS THE DOCKS IS VARYING DIRECTLY WITH THE ECONOMIC IMPACT OF EACH SUCCESSIVE REGULATION ISSUED BY SUMANAN, THE MINISTRY OF TRANSPORT'S MARITIME CONTROL AGENCY. THE UNION'S LEGAL ADVISOR CONFIDED THAT THIS VARIANCE WAS NEITHER ACCIDENTAL NOR SPONTANEOUS, BUT THAT THE SANTOS UNION WAS RECEIVING NO SUPPORT EITHER FROM ITS FEDERATION OR FROM ASSOCIATED UNIONS. ACTUALLY, THE OTHER MARITIME UNIONS IN BRAZIL WERE FOLLOWING SANTOS AS THE BELLWEATHER. ACCORDING TO THE UNION, BULK CARGOES CONSTITUTE SEVENTY PERCENT OF THE NET TONNAGE CROSSING THE SANTOS DOCKS. EARNINGS FROM THIS CATEGORY OF CARGO WERE LOWERED MOST DRASTICALLY BY THE SUMANAN REGULATIONS. ACCORDING TO O ESTADO, AVERAGE MOVEMENT OF BULK CARGO HAS FALLEN FROM SIX-THOUSAND TONS DAILY TO THREE-THOUSAND TONS DAILY. IN THAT STORY THE HIGHWAY SYSTEM IS BLAMED FOR THE DELAYS.

3. THE SANTOS UNION CURRENTLY IS AWAITING THE ISSUANCE OF YET ANOTHER SUMANAN REGULATION (4281D TO BE RELEASED WITHIN THE WEEK OF 13 AUGUST) BUT IS NOT HOPEFUL ABOUT ITS IMPACT. CONCURRENTLY, THE UNION HAD FILED A SUIT AGAINST THE RECENTLY INITIATED LASH SERVICE, ALLEGING THAT ON ITS MAIDEN VOYAGE, THE LASH VESSEL CARRIED ITS OWN STEVEDORE CREW. THE UNION SAID IT HAD TRAINED WORKING TEAMS SPECIFICALLY FOR LASH SERVICE, BUT HAD SINCE CUT OFF FURTHER TRAINING SINCE THEY SAW LITTLE CHANCE OF PARTICIPATION IN THIS NEW SERVICE. LASH VESSELS ARE BUILT

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TO OPERATE COMPLETELY INDEPENDENTLY OF PORT FACILITIES. THE SHIP, IN FACT, DOES CARRY HER OWN LOADING-OFFLOADING CREW, BUT ON ITS INITIAL VOYAGE IT USED LOCAL LABOR (NON-STEVEDORE UNION) FOR UNLOADING AND DID TIE UP TO THE DOCK AS A CONCESSION TO LOCAL PORT AUTHORITIES. DELTA LINE OFFICIALS TOLD CONGEN THAT THIS WOULD CONTINUE TO BE THEIR PRACTICE, ALTHOUGH THEY WOULD MUCH PREFER TO LOAD AND UNLOAD WHILE AT ANCHOR IN STREAM. END LIMITED OFFICIAL USE.

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4. THE UNION PRESIDENT AND HIS LEGAL ADVISOR TOLD THE REPORTER IN CONFIDENCE THAT THEIR LABOR CATEGORY IS BOTH A VICTIM AND A BENEFICIARY OF AN INTENSE JURISDICTIONAL STRUGGLE BETWEEN TWO GOVERNMENTAL MINISTRIES FOR CONTROL OF THE WATERFRONT: THE NAVY AND THE MINISTRY OF TRANSPORT. THE UNION PLAINLY COUNTS THE NAVY AND ITS PORT CAPTAINCIES AS ALLIES. THE NAVY IS ENGAGED IN A GREAT DEAL OF BACKSTATE BUREAUCRATIC MANEUVERING ON THE UNION'S BEHALF ACCORDING TO THE STEVEDORE LEADERSHIP.

5. THE UNION SPOKESMEN UNDERSTANDABLY WERE RELUCTANT TO DIVULGE THEIR STRATEGIES IN CASE THEIR COURT INJUNCTIONS AGAINST SUMANAN RESOLUTIONS 4281, A, B, AND C ARE NOT RESOLVED TO THEIR SATISFACTION, OR IF THEIR COMPANION SUIT AGAINST LASH FAILS, HOWEVER, USING ELLIPTICAL LANGUAGE, THE TWO TOP LEADERS IMPLIED STRONGLY THAT THEY WOULD INTENSIFY THE SLOW-DOWN TACTIC, PERHAPS INTRODUCING SOME NOVEL VARIATIONS. THE UNION LEADERSHIP SAID THEY COULD NOT SPEAK FREELY BECAUSE OF THE PHYSICAL PRESENCE OF INFORMANTS WITHIN THEIR OWN DIRECTORATE. HOWEVER, THE PRESIDENT AND HIS LEGAL ADVISOR PROMISED TO DELIVER US SOME CLOSELY-HELD INFORMATION ON THE MARITIME SITUATION WITHIN A FEW DAYS.

END CONFIDENTIAL

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